

ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

Reporter By: Janene R. Biggs, CSR No. 11307

1 APPEARANCES

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3 Commissioners Present:

4 JANANNE SHARPLESS, Commissioner

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6 Committee Members Present:

7 SUSAN GEFTER, Hearing Officer

8 ROSELLA SHAPIRO, Advisor to Commissioner Sharpless

9 LAURIE TEN HOPE, Advisor to Commissioner Sharpless

10 CYNTHIA PRAUL, Advisor to Commissioner Keese

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12 For the Staff of the Commission:

13 Arlene L. Ichien, Staff Counsel

14 Paul Richins, Project Manager

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16 For the Applicant:

17 Douglas W. Buchanan, P.E., Delta Energy Center,  
Development Manager

18 Susan Strachan, Delta Energy Center, Environmental  
19 Project Manager

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21 For the Intervenor:

22 Kathy Russeth, Enron

23 Jack R. Hall, P.E., City of Antioch

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1 P R O C E E D I N G S

2 MONDAY, MARCH 22, 1999

3 PITTSBURG, CALIFORNIA 4:15 P.M.

4 COMMISSIONER SHARPLESS: Good afternoon.

5 I see we still have some individuals still  
6 signing up at the table. If I could ask you to take  
7 your seats and we'll get started.

8 I want to welcome you all here today. It's  
9 truly a pleasure to be here in Pittsburg and be here at  
10 the Boys and Girl's Center. I thank them for hosting  
11 our meeting today. I am Jananne Sharpless, as you can  
12 see by my name tag. I am a Commissioner at the  
13 California Energy Commission, who is responsible for  
14 licensing larger power plants, 50 megawatts and larger.

15 We have established a two-person Commission  
16 Committee to help oversee the process for licensing  
17 this plant, and my partner has not arrived yet -- is  
18 currently in the governor's office -- but hopefully  
19 will be able to attend at 6:00 o'clock when we return  
20 from our site visit.

21 Today's meeting is an informational meeting.  
22 The purpose of today is to help you understand the  
23 process that we will be going through in the next year,  
24 to help you understand the project that is being  
25 developed possibly in this area, and to help you  
26 understand how you can participate in this process, and

1 I'd like to start off by making some introductions so  
2 you'll know who it is that is involved in this process  
3 and what our individual roles are.

4 I will introduce the staff here. I'll start  
5 with my right, your left, with Rosella Shapiro who's my  
6 advisor. Susan Gefter who is our Administrative  
7 Hearing Officer, Laurie Ten Hope, who is my advisor,  
8 and Cynthia Praul, who is advisor to Bill Keese.

9 I would like to ask starting with the  
10 applicant to introduce themselves, and then we'll ask  
11 staff to introduce themselves.

12 MR. BUCHANAN: My name is Doug Buchanan, and  
13 I'm the development manager for the Delta Energy  
14 Center, and I represent the two sponsors, Calpine and  
15 Bechtel Enterprises.

16 MS. STRACHAN: I'm Susan Strachan with  
17 Calpine, and I'm the environmental manager for the  
18 project.

19 MR. RICHINS: I'm Paul Richins. I'm with  
20 the California Energy Commission staff. I'm the Energy  
21 Commission's staff's project manager on this particular  
22 project, and to my left, your right, is Arlene Ichien,  
23 staff counsel to the Energy Commission staff, and on my  
24 right is Chris Tooker. Also in the audience we have a  
25 few staff from the Energy Commission as well.  
26 Ean O'Neill and Lorraine White.

1                   COMMISSIONER SHARPLESS: Thank you. We have  
2     some intervenors in this case, and the term  
3     "intervenor" and their role will be later described in  
4     our process, but I'd like to introduce them first at  
5     the beginning of this process. Is Kathryn Poole from  
6     CURE here?

7                   MS. MENDONCA: Not yet.

8                   COMMISSIONER SHARPLESS: Well, she will be  
9     here, and I'll give her an opportunity to introduce  
10    herself. Also the City of Antioch. Somebody from the  
11    City of Antioch is also not here. Another prospect  
12    being proposed, Enron, the Pittsburg District Energy  
13    Facility. Somebody from that project?

14                  MS. RUSSETH: Yes.

15                  COMMISSIONER SHARPLESS: Would you get up  
16    and introduce yourself, please?

17                  MS. RUSSETH: My name is Kathy Russeth.

18                  COMMISSIONER SHARPLESS: Okay. Thank you  
19    very much. Agencies that will be involved in this  
20    project are the City of Pittsburg. Is there anybody  
21    from the City of Pittsburg who would like to stand up  
22    and introduce themselves? No.

23                  The Bay Area Air Quality Management  
24    District. Anybody from the Bay Area? Okay.

25                  And the Delta Diablo Waste Water Facility?  
26    Anybody from the facility?

1                   Also, we have members of the public today.  
2   I notice that there's quite a few of you. When you  
3   speak, you'll have an opportunity, if you feel like  
4   speaking, to introduce yourself.

5                   And I'd also like to introduce the public  
6   advisor, Roberta Mendonca. Later in the hearing the  
7   public advisor will explain how the public can obtain  
8   information about the project and how to participate  
9   and offer comments during this review process. The  
10   public advisor will also tell you how to intervene as a  
11   formal party to present evidence and cross-examine  
12   witnesses.

13                  Now, however, we have scheduled a site visit  
14   to observe the location where the project will be  
15   built, and in order to do this so that we can see what  
16   we're doing during the daylight hours, we will adjourn  
17   this meeting and go outside, and there are two buses  
18   outside that will take us to that location. Once we  
19   are through the site visit, we will come back to this  
20   location and reconvene the hearing around 6:00 P.M.

21                  Are there any questions that individuals  
22   have?

23                  MS. IREMONGER: Yeah. Is this already a  
24   done deal?

25                  COMMISSIONER SHARPLESS: Would you like to  
26   stand up and introduce yourself, please.

1 MS. IREMONGER: I'm a citizen of Pittsburgh,  
2 and I want to know if this is a done deal already in  
3 that this is just a public relation thing.

4 COMMISSIONER SHARPLESS: As you will note,  
5 there is a court reporter here that's taking a  
6 transcript that will go into the public record.

7 Now, this is the very beginning of a  
8 process, and in this process, when an applicant wishes  
9 to come forward with a proposal to construct a  
10 facility, the first step in this process is to come  
11 forward with an application. That starts the process  
12 that you'll hear about later, which looks at the  
13 proposal, looks at the impacts and sees what impacts,  
14 what mitigations might be necessary. It is not a done  
15 deal. This is a process that allows a lot of public  
16 participation, questions or concerns that you might  
17 have will be put into the public record, and the public  
18 record is the decision document on which Commissioners  
19 make these decisions.

20 MS. IREMONGER: Okay. Thank you.

21 COMMISSIONER SHARPLESS: Any other  
22 questions? Okay. There are two buses outside. I  
23 invite all of you to come along with us to hear more  
24 about this proposal, and then we will reconvene at  
25 6:00 o'clock, and we will describe the process, and the  
26 applicants will have an opportunity to describe their

1     proposal.   So I hope to see you back there.

2                   MR. BUCHANAN:   I'd like to briefly mention

3     what you're going to see on the tour.

4                   We're going to go down Harbor onto

5     Tenth Street, cross Railroad and then intersect the

6     Eighth Street Corridor, which would be around the area

7     that's being proposed for the underground electric

8     transmission line will take.   So the first step we're

9     going to be looking at is the Eighth Street Corridor

10    where we're proposing undergrounding for the facility,

11    get a sense of what that corridor looks like.

12                  We'll then come up Santa Fe and Columbia

13    Avenues.   There's a point I'd like to point out where

14    the transmission goes underground -- sort of doing this

15    in reverse order -- and then out to the site.

16                  So the first thing we'll be taking a look at

17    is the Eighth Street Corridor and then go out to the

18    site.

19                  MS. GEFTER:   We'll go off the record now.

20                  (Whereupon, the meeting was adjourned at

21                  4:25 P.M. for a site visit.)

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1                   (Whereupon, the meeting was reconvened at  
2                   6:00 P.M.)

3                   COMMISSIONER SHARPLESS:  If I could have  
4                   your attention, please.  Take your seats.

5                   I hope all of you have had a chance to eat.  
6                   There are still a few sandwiches over there if you have  
7                   just arrived.

8                   We're reconvening the informational hearing.  
9                   We started at 4:00 o'clock this afternoon and, we took  
10                  a site visit.  Some of you were with us.  I see some  
11                  new faces, so I want to welcome those of you to our  
12                  midst this evening to our informational hearing.  This  
13                  is the California Energy Commission that has a  
14                  siting committee on the Delta Energy Center project.  I  
15                  am Jananne Sharpless.  I am a Commissioner of the  
16                  Energy Commission.  I am one of the members of the  
17                  Committee.  Even though we started with the  
18                  introductions earlier, I want to go through the  
19                  introduction process again so that everyone who is here  
20                  knows who they're speaking to.  I'd like to just  
21                  emphasize that this is the first meeting we've had on  
22                  this project.  This is a informal informational  
23                  hearing.  The purpose of tonight's hearing is really  
24                  for the community to get to know who the people are on  
25                  this project, and what our goals are, and what our  
26                  process is, and how you can be a part of that process.

1 Also to learn more about the project. The project  
2 applicant will be giving you a description. You'll  
3 also hear from the CEC staff, who's already done some  
4 initial analysis of the project, and you will hear some  
5 of the info that they have.

6 So I'd like to begin, just introducing those  
7 at the front table here. To my right is  
8 Rosella Shapiro, my advisor. To my left is  
9 Susan Gefter, our hearing officer. To her left is  
10 Laurie Ten Hope, my advisor, and Cynthia Praul,  
11 Bill Keese's advisor, and I'd like to move over to the  
12 applicant, if you could reintroduce yourselves.

13 MR. BUCHANAN: My name is Doug Buchanan.  
14 I'm the development manager for the Delta Energy Center  
15 project.

16 MS. STRACHAN: I'm Susan Strachan with  
17 Calpine, the environmental project manager.

18 MR. RICHINS: My name's Paul Richins. I'm  
19 the project manager for the California Energy  
20 Commission on the Delta project. On my left is  
21 Arlene Ichien. She's staff's attorney at the Energy  
22 Commission. On my right is Chris Tooker, he's senior  
23 in charge of the Air Quality Unit at the Energy  
24 Commission. Also in the audience is Ean O'Neill.  
25 She's with our transmission group. And then  
26 Lorraine White is also here, the project manager on the

1     Pittsburg case, and Peter Mackin is here from the  
2     California ISO.

3                 COMMISSIONER SHARPLESS:   ISO stands for the  
4     Independent System Operator that operates now, a system  
5     in California, and we appreciate you being here.

6                 We also have Roberta Mendonca, who most  
7     people have already met, from the public.  She is our  
8     public advisor, and I'll call on Roberta in a few  
9     minutes to have her explain her role, and the purpose  
10    of intervention and what that all entails.

11                As well we have some other intervenors, and  
12    that role will be explained.  I believe we now have in  
13    the audience an individual from the City of Antioch.

14                MR. HALL:    Jack Hall, City of Antioch.

15                COMMISSIONER SHARPLESS:  Nice to have you  
16    here, Jack.

17                Is the individual from Enron, the Pittsburg  
18    District Energy Facility, here?

19                MS. RUSSETH:  Hi.  I'm Kathy Russeth.

20                COMMISSIONER SHARPLESS:  Thank you.  Do we  
21    have any representatives from the agencies?  City of  
22    Pittsburg?

23                MR. GANGAPURAM:  Avan Gangapuram, City of  
24    Pittsburg.

25                COMMISSIONER SHARPLESS:  Thank you, sir.

26                Anybody from the Bay Area Air Quality

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1 Management District? Not here. Okay.

2 Delta Diablo Waste Water Facility?

3 MR. CAUSEY: Paul Causey.

4 COMMISSIONER SHARPLESS: Thank you, sir, for  
5 being here.

6 We have several members of the public, and  
7 they will be able to introduce themselves if they wish  
8 to speak later.

9 I'd like to now turn to our hearing officer,  
10 who will go through some of the process issues that  
11 involve the Commission's work, and then we will have  
12 similar presentations by staff and by the applicant.

13 MS. GEFTER: Before I give the background on  
14 this project, I also understand that Paulette Lagana,  
15 who represents the organization called CAP-IT, is here,  
16 and she has moved to intervene in this project, and the  
17 petition to intervene goes to the Chairman's office.  
18 Chairman Keese, who is the presiding member of the  
19 Committee is not available here tonight, but your  
20 petition is not opposed by Calpine, so we expect you to  
21 be an intervenor in this project.

22 The background on this project is that  
23 Calpine Corporation and Bechtel Enterprises filed their  
24 application for Certification, or AFC as we call it,  
25 for the Delta Energy Center in December of 1998. The  
26 project is an 880-megawatt facility that will be built

1 on the existing industrial site owned by Dow Chemical  
2 in the city of Pittsburg.

3           The purpose of today's informational hearing  
4 is to provide information about the proposed power  
5 plant and to describe the Commission's licensing  
6 process in reviewing the application. Notice of this  
7 hearing was mailed on February 23rd to all parties,  
8 adjoining landowners, interested governmental agencies,  
9 and other individuals. In addition, notice of today's  
10 hearing was published several times in the local  
11 newspapers.

12           The hearing is the first in a series of  
13 formal Committee events that will extend over the next  
14 year. The Commissioners conducting this proceeding  
15 will eventually issue a proposed decision containing  
16 recommendations on the project. It is important to  
17 emphasis that the Committee's proposed decision must,  
18 by law, be based solely on the evidence contained in  
19 the public record. To ensure that this happens and to  
20 preserve the integrity of the Commission's licensing  
21 process, the Commission's regulations and the  
22 California Administrative Procedure Act expressly  
23 prohibits private contact between the parties and the  
24 Commissioners. This prohibition between off-the-record  
25 communications between the parties and the  
26 Commissioners is called the Ex Parte Rule. This means

1   that all contacts between parties and Commissioners  
2   regarding substantive matter must occur in the context  
3   of a public discussion, such as today's event, or in  
4   the form of written communication that is distributed  
5   to all the parties.

6               The purpose of the Ex Parte Rule is to  
7   provide full disclosure to all participants, interested  
8   members of the public, of any information that may be  
9   used as a basis for the final -- for the proposed or  
10  final decision in this project.

11              Additional opportunities for the parties and  
12  governmental agencies to discuss the substantive issues  
13  in this case with the public will occur in public  
14  workshops to be held by Commission staff at locations  
15  here in Pittsburgh. You will receive notices of those  
16  workshops as the year goes by. Information regarding  
17  other communications between parties and governmental  
18  agencies will be contained in written reports and  
19  letters that summarize those communications. These  
20  written reports and letters will be distributed to the  
21  parties and be made available to the public.  
22  Information regarding hearing dates, workshop dates and  
23  other events in this proceeding will be also available  
24  on the Commission's web site, and we'll give you that  
25  URL at the end of this proceeding.

26              The public advisor also can provide

1 information to you, and at this point we would like to  
2 invite her to talk to you about the role of the public  
3 advisor. The AFC process is a public proceeding in  
4 which members of the public and interested  
5 organizations are encouraged to actively participate  
6 and express your views on matters relative to the  
7 project. Members of the public are also eligible to  
8 intervene in the proceeding, and the public advisor  
9 will explain to you what that process is and how you  
10 can become an intervenor if you want to.

11 Roberta, would you begin now?

12 MS. MENDONCA: Thank you. Good evening. Is  
13 this on? Can you hear me okay? Back in the back? Oh,  
14 great. Okay.

15 The public advisor -- well, let me begin by  
16 saying did you realize that I really am from the  
17 government, and I really many am here to help you?  
18 Actually it's the truth. The Energy Commission, we  
19 have our decision makers who are here before you, two  
20 of the five, that will ultimately be deciding on the  
21 certification of this power plant. I'm not a decision  
22 maker. And we have the staff that are here. They will  
23 be doing much of the analysis on this project. I'm not  
24 a part of the staff.

25 My job was created at the time the Energy  
26 Commission was created. I haven't been there that

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1 long, but the position that I hold was created then,  
2 and the function is to enable you, the public, to  
3 adequately participate had the process, and has you can  
4 kind of get the gist of it, the process is fairly  
5 complicated, and so the public advisor's role is to  
6 make it easy for you to get your in questions answered,  
7 and, if you do decide to become a formal participant,  
8 that is, to become a party, that you have somebody that  
9 can help you do that, and that's what intervention is.  
10 It's kind of like the name suggests. You get in the  
11 middle. Actually, to intervene in a siting case, you  
12 fill out a petition and request for the intervenor  
13 status that allows you to do what the staff does, and  
14 it allows you to do what the applicant does, which is  
15 present evidence.

16 Kind of jumping way ahead, the reason  
17 presenting evidence is very important is, as  
18 Commissioner Sharpless said earlier, they rely only on  
19 the formal evidentiary record when they make their  
20 decision. So we'll have lots of workshops where you'll  
21 get a chance to share your views, and it's quite  
22 informal, and you'll feel very comfortable about it,  
23 but if you really want to have your views considered at  
24 the time the decision is made, you want to get them to  
25 become part of the evidentiary record, and becoming an  
26 intervenor is one way to do that.



1                   So Paul Richins had some slides. We did  
2   cooperate in that area. He's going to give you my 800  
3   number. I'm at an 800 number. I'm also on E-mail at  
4   PAO -- it stands for public advisor's office --  
5   @energy.ca.gov.

6                   Again, many of you I've already talked to on  
7   the telephone. I'm looking forward to being able to  
8   facilitate your participation, and thank you very much.

9                   MS. GEFTER: Thank you, Roberta.

10                  We're going to move on to presentations by  
11   the parties, and during the course of the hearing we'll  
12   ask the parties to make the presentations in the  
13   following order:

14                  First the Commission staff will provide an  
15   overview of the Commission's licensing process, or as  
16   we call it, the AFC process, and when staff's role in  
17   reviewing the proposed Energy project.

18                  Next, Calpine will describe the proposed  
19   project and explain its plans for developing the  
20   project site.

21                  Then we'll hear comments from any of the  
22   intervenors who are now parties to this case. After  
23   the completion of these presentations, the agencies and  
24   members of the public can offer comments and ask  
25   questions.

26                  Following the public comment, we will

1 discuss scheduling and other matters addressed to the  
2 staff's issue and certification process.

3 This is a somewhat informal process. We  
4 will provide time at the end of each presentation for  
5 members of the public to ask questions, and before we  
6 begin, I'd like to ask you if you have any questions  
7 about the agenda at this point?

8 All right. I think we can begin with staff  
9 and ask them to explain to you what the Energy  
10 Commission process is all about.

11 MR. RICHINS: Good evening. My name is  
12 Paul Richins.

13 I wanted to go over briefly with you the  
14 process at the Energy Commission. I think you've heard  
15 a little bit from Roberta and some of the others about  
16 the process, so I'll go into a little bit more detail.

17 First after all, I'd like to encourage you,  
18 you don't have to take extensive notes. There's a  
19 handout at the back table that looks like this  
20 (indicating), and it's a photocopy of all the slides  
21 that will be put up on the projector here.

22 Also I want to encourage you, if you  
23 haven't, to sign in at the back table on the sign-in  
24 sheet, and if you're interested on being on the mailing  
25 list and receiving information about the public  
26 workshops that the Energy Commission staff will be

1 holding, there will be a little box to check on the  
2 sign-in sheet, so feel free to sign in on the sign-in  
3 sheet when you leave this evening.

4 Also, there are other handouts in the back,  
5 both from Calpine and Bechtel, and also from the Energy  
6 Commission, so feel free to avail yourself of those.

7 As was previously mentioned, in the handouts  
8 there's a set of names for contacts, both contacts with  
9 Bechtel and Calpine. Susan Strachan and  
10 Doug Buchanan's phone number and E-mail address are  
11 there, as well as their web page for the Delta Energy  
12 Center, "dot com."

13 Also from the Energy Commission, my name is  
14 there and phone number and E-mail. Susan Gefter, the  
15 hearing officer's phone number and E-mail is there.  
16 Roberta's is there as well, and that is, 800-822-6228.  
17 So that's an 800 toll-free number, and also the Energy  
18 Commission's web page is there, and it will include all  
19 of the public notices and staff documents on that web  
20 page, so I think it should be quite helpful. It also  
21 has the schedule of events on there as well.

22 MS. GEFTER: Okay. Paul, I'd like to in  
23 interrupt for a minute, because when Roberta gave out  
24 the email address for the public advisor, I think she  
25 gave an incorrect address. I wanted to correct it.  
26 The public advisor's E-mail is pao@energy.state.ca.us,

1    which is the same address for Paul Richins and myself.  
2    So if people wrote down the address that Roberta gave  
3    you, please correct it.

4                   MR. RICHINS:  If you're following along on  
5    the handout on the Overhead Number 4, I'm just going to  
6    go quickly through these.

7                   Regarding the Energy Commission's siting  
8    process, the Energy Commission was set up a number of  
9    years ago to review all power plants that are 50  
10   megawatts and greater and also their related  
11   facilities, such as transmission lines, natural gas  
12   lines, water lines, and so forth.  So the Energy  
13   Commission staff will be doing an extensive gathering  
14   of information and analysis on this project and will be  
15   making recommendations to the decision makers.  So I  
16   want to make it clear.  We're not the decision makers;  
17   we're just gathering information and will be making  
18   recommendations to the head table here at hearings that  
19   will be conducted later on in the process.

20                   Our procedure is similar to what you may  
21   know as CEQA, the California Environmental Quality Act,  
22   and we are, in essence, the lead agency for that.  One  
23   of the major activities that we will be doing is  
24   coordinating with state, local and federal agencies,  
25   and some of the local agencies and state agencies have  
26   already been introduced today, the City of Antioch,

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1 City of Pittsburg, the California Independent System  
2 Operator, so forth. We will be coordinating very  
3 closely with all of the state, federal, and local  
4 agencies that have an interest in this process.

5 Our process is a 12-month process, and  
6 that's included in state law, so we take it very  
7 seriously to try to meet the requirements of the review  
8 process in a timely fashion.

9 As you can see, the several steps along the  
10 line, right now we're in the discovery stage, where we  
11 have identified some information needs. We'll be  
12 holding workshops, and today is the informational  
13 hearing and site visit, and as you follow through,  
14 there's an analysis phase where staff will be doing  
15 a -- what we call a PSA, or Preliminary Staff  
16 Assessment. That will be our first cut at identifying  
17 all the issues and making -- identifying environmental  
18 impacts and potential methods to mitigate those  
19 impacts. That's a draft or preliminary. We will hold  
20 numerous workshops on that and be out in the community  
21 getting input the document. So if we have missed  
22 something, we will be very interested in getting  
23 feedback from you, the public, as well as all the other  
24 agencies that are involved.

25 From there we'll be doing a final staff  
26 assessment. From there then we'll go into evidentiary

1   hearings that will be conducted by the hearing officer  
2   and the Committee, and then it will eventually go to  
3   the full five-member Commission for the decision.

4               I want to emphasis that our process is open.  
5   All our meetings will be publicly noticed 10 to 14 days  
6   in advance, and like I said, it's important to sign in  
7   on the sign-in sheet and check the box if you want to  
8   receive notices.

9               What triggered all of this was an  
10   application for certification from Calpine-Bechtel, and  
11   it's a very thick document, two volumes, weighing five  
12   or six pounds or more, and it's in the libraries here  
13   in the community as well as at the Energy Commission.

14              As also previously noted, information  
15   regarding staff's analysis will be also on our web site  
16   there at the address shown.

17              Now, the next chart is a little bit  
18   complicated, and Susan Gefter was talking about this a  
19   little bit earlier, and that's regarding the ex parte  
20   rule. If you'll take a look at the chart, starting at  
21   the top we have the Commissioners. That's five member  
22   Commissioners. They're the decision makers in this  
23   process. Below that then is the two-member committee  
24   that's been assigned to this case. They're also  
25   decision makers, and then below that is all the  
26   nondecision makers, and as you see, in the middle there

1 is the Energy Commission staff. We're here, and we'll  
2 be -- we're an independent party that's reviewing and  
3 analyzing what was proposed by Calpine and Bechtel.  
4 It's not our idea. It's not our proposal, but we, by  
5 law, are required to be an independent party reviewing  
6 and analyzing it and coming up with recommendations for  
7 mitigation of any of the impacts that might occur to  
8 the project.

9           If you'll just draw between -- just a dotted  
10 line, or imaginary line, between Commission Committee,  
11 below Committee, that's the ex parte rule. So the  
12 people below the line are the nondecision makers, and  
13 we have a rule that's called the ex-parte rule, that  
14 any substantive conversations regarding issues in the  
15 case need to be done in public at a publicly noticed  
16 workshop. So that's why we will have these public  
17 workshops and also the hearings.

18           And you can see the arrows show the  
19 interrelationships between the Energy Commission, the  
20 applicant, which is Calpine-Bechtel, the state,  
21 federal, and local agencies, and the public advisor's  
22 office providing assistance to the public and to the  
23 intervenors.

24           I've already touched on the next slide  
25 pretty much, and that is one of our major activities  
26 will be coordination with state, federal, and local

1 agencies, and we'll also be coordinating closely -- you  
2 may have heard of the Pittsburgh, Enron power plant  
3 proposal that's currently being considered by the  
4 Energy Commission and that's being reviewed, the staff  
5 that's working on that case is some of the same staff  
6 that's going to be working on the Delta project, so  
7 we'll be coordinating closely our analysis with that  
8 case as well, and if necessary we'll be holding a joint  
9 workshop if needed to deal with any joint issues.

10 More specifically on the Delta Energy  
11 project, we will be doing a complete and thorough  
12 analysis, as I mentioned. There's a 3.3 mile  
13 electrical transmission line of which some of that will  
14 be underground, as we saw on the tour. There will be a  
15 5.3 mile natural gas pipeline, and there will be  
16 numerous related facilities. All of those will be  
17 reviewed by the Energy Commission.

18 When we take a look at those items, we'll  
19 focus on public health and safety issues, environmental  
20 consequences, and the engineering aspects of the  
21 project, so anything that's conceivable that could  
22 cause a potential impact, we look at and analyze and  
23 try to make a determination whether there's a  
24 significant impact that will be created.

25 We will also look at compliance with laws,  
26 ordinance, regulations, and standards, and that's where



1 the local agencies will come in. We'll coordinate very  
2 closely with them to make sure that the project  
3 complies with all of those requirements.

4 Our environmental assessment will identify  
5 environmental consequences, will identify mitigation  
6 measures, and recommend conditions for certification if  
7 we feel that it's appropriate for certification. It's  
8 not unusual to have more than 150 conditions for  
9 certification, and in past cases we've had situations  
10 where we've had over 150 conditions for certification  
11 that the proponent, or the applicant, had to comply  
12 with.

13 That concludes my discussion on the overall  
14 view of the Energy Commission process.

15 MS. GEFTER: At this point, does anyone have  
16 any questions for the Energy Commission's staff for the  
17 process of reviewing the application for certification?  
18 Can you hear me? Does anyone have any questions for  
19 the Energy Commission staff on the process for  
20 reviewing the application for certification? Any  
21 questions for what Mr. Richins just talked about?

22 Okay. At this point, I'd like to ask, we're  
23 going to take about a minute or two break so our  
24 reporter can rest her fingers, and then we can go back  
25 on the record.

26 Also, anyone who intends to speak or make a  
25

1 presentation, could you please give your business card  
2 to the reporter so she can spell your name correctly,  
3 because sometimes when people identify themselves, they  
4 speak very quickly, or else, if you when you speak, you  
5 just perhaps speak slowly and spell your name for us.

6 (Whereupon, a break was taken.)

7 MS. GEFTER: We're going to ask the  
8 applicant Bechtel and Calpine to make a presentation to  
9 explain to us how the project will look and what it  
10 entails, and we'll ask everyone to please be seated at  
11 this point and ask the applicant to begin its  
12 presentation.

13 MR. BUCHANAN: What I'd like to do is spend  
14 about five minutes describing who I am, and why I'm  
15 here. We'd like to spend about ten minutes following  
16 that to talk about technically what this project is and  
17 what it is not.

18 I'm going to ask Susan Strachan here to  
19 describe some of the environmental aspects of this  
20 project, of our obligations and subtle features. Then  
21 we'll take a few minutes to close.

22 So if I can ask that you hold your questions  
23 until afterwards, that will be great. I'm not  
24 expecting this to take more than, as I said, two hours.  
25 About 25 minutes.

26 I worked for Bechtel Enterprises and Bechtel  
26

1   Enterprises and Calpine are two of the -- are the two  
2   project sponsors for the Delta Energy Center.  As I  
3   mentioned earlier, my name is Doug Buchanan, and  
4   there's a bit of serendipity at by being development  
5   manager fro this project.  I'd like you to bear with me  
6   for a bit here.  I'm going to go into a little bit of  
7   detail on something I think is very important, and the  
8   project feels is very important, and that's a local  
9   aspect to this.

10               My family settled here in Pittsburg, about a  
11   half mile from here behind us, in 1850, two years after  
12   the Gold Rush and wondered where everybody had gone.  
13   My niece and nephew are here, and they are proud to say  
14   they're the sixth generation to be born and live on the  
15   family property here in Pittsburg.  We have a very long  
16   and proud history, both in Pittsburg and in  
17   Contra Costa County.

18               As a family, we have been very, very active  
19   through those, Generation Number 5, in the development  
20   aspect of Contra Costa County.  The fact I'm very proud  
21   of is, my great-great-grandfather,  
22   William James Buchanan, was a county supervisor here  
23   for 42 years, and he was followed by my grandfather for  
24   an additional 10, so there is local knowledge.  There  
25   is great local history.  More important than that,  
26   there's a great local obligation.  There's a sense of

1 responsibility, a sense of obligation that I have that  
2 I bring to this project that is very, very real.

3 I graduated here from Pittsburg High School.  
4 Went on to attend various schools, got a degree as a  
5 professional engineer. As part of my career, I worked  
6 here at the Pittsburg Power Plant and also Antioch for  
7 a brief time, and after some wonderful assignments from  
8 Bechtel, including some trips to Turkey and Brazil and  
9 Chile, I came home, home to Pittsburg, and I'm very  
10 happy to be here.

11 I mentioned that I had this very strong  
12 sense of obligation in this project, and that's fine.  
13 This Commission here really makes sure that that  
14 obligation is held and that we truly meet that  
15 obligation, and they are, in effect, the authority to  
16 make sure that what we do is the right thing, the right  
17 thing for the community, and for the region. They are  
18 the principle authority in this process. But I answer  
19 to a higher authority, and I'm proud to say she's here  
20 tonight. That higher authority is my grandmother,  
21 Ruth Buchanan, who still lives on the family property.  
22 Raise your hand. There she is (indicating).

23 I asked her if she'd like to come down and  
24 see me, and she said, "You bet. Before or after  
25 Manhattans?" And I said, "After."

26 I'm very proud of my grandmother's strong  
28

1 stock, and three weeks from today -- no, three weeks  
2 from Saturday -- we will be at Zandanella's Restaurant  
3 here in town to celebrate her 100th birthday. She  
4 has -- when I told her I was going to introduce her,  
5 she said, "Tell them I'm 75."

6 One final note is that she has promised me  
7 that she does not intend to file as an intervenor. I  
8 thank her for that. That will be really tough.

9 So the idea here is we have a long history,  
10 a long sense of purpose and obligation here, and that's  
11 a tall order to fill. I have my family here to report  
12 to.

13 I'd like to talk a little bit about what  
14 we're proposing here. As I mentioned, the project  
15 sponsors are Calpine and Bechtel Enterprises. Bechtel  
16 Enterprises, whom I work for, is the development and  
17 finance company within the Bechtel group of companies,  
18 and they are the ones who have helped put projects like  
19 this together worldwide, and they're based in  
20 San Francisco.

21 Calpine is a power development and ownership  
22 company, based in San Jose, and Calpine has really done  
23 some remarkable things of late. They've come from a  
24 relatively quite position in the marketplace to become  
25 a real, real force of independent power production, and  
26 what's important to note is, a green power. Calpine is

1 now the major operator and owner of geysers and  
2 geothermal complex up in Lake County. There are a  
3 number of high efficiency Calpine pipes both in  
4 California and across the country. A great partner and  
5 a great partnership.

6               What brought this project to Pittsburg, and  
7 we had a question on the bus, why here, and we'll talk  
8 about that, was an action by Dow Chemical Company a  
9 couple of years ago. Dow has -- as those of you may  
10 have noted on the bus tour -- has a cogeneration plant  
11 on site now, smaller, but about two years ago Dow had  
12 decided to divest itself of that smaller plant, and it  
13 was put on the block for bid. There were a number of  
14 bidders, and Calpine was the successful bidder.

15              As part of that acquisition, Calpine had two  
16 obligations. One was to effectively replace those  
17 units because they're old and inefficient, and to  
18 supply steam to Dow to help Dow lower its cost of  
19 production and keep it a viable entity and employer in  
20 Pittsburg. With that came an opportunity, an  
21 opportunity to build what we now call a merchant plant.  
22 That is, a larger, highly efficient, clean, combined  
23 cycle power generation facility to circulate in the  
24 Bay Area. So it became the sponsor for this project,  
25 Delta Energy Center.

26              There's another aspect -- that sort of

1 brings us to why Dow -- why are these things happening  
2 at all? We're in a very, very dynamic part of the  
3 market, a change in the marketplace. How many people  
4 here realize that PG&E makes good power for them? All  
5 of us with our hands up are wrong. PG&E is out -- or  
6 almost out of the generation business. In fact, I  
7 brought one of my bills here, which I thought was very  
8 interesting. At the top of the bill you'll see at the  
9 logo, Pacific Gas & Electric, it says, "We deliver  
10 energy," and that's a very true statement, because  
11 that's what PG&E does now.

12               It is independent developers like Calpine,  
13 Bechtels, like the Duke Companies, like southern  
14 companies, like the Pittsburg units that will be the  
15 ones that manufacture the power that comes to your  
16 homes.

17               As the market deregulates, the PG&E has  
18 divested itself as a generation of two new facilities.  
19 Two new entities. One called the ISO, which was  
20 mentioned earlier, the Independent System Operator, and  
21 Peter Mackin is here to represent ISO. The California  
22 Power Exchange, who will deliver power to be sold into  
23 and back out of, and it's truly a very different and  
24 dynamic market. This market has fostered a real change  
25 in how power is generated, and one of the ways is the  
26 Delta facility and Enron facility, and it's happening

1 on a large scale, and it's happening throughout the  
2 state and throughout the country.

3           Why Pittsburg? I got that question on the  
4 bus. It's an interesting question to get, and  
5 sometimes a hard one to answer. This is a good place  
6 for an electric generation facility. It's a good place  
7 for a number of reasons. Dow, of course, being the  
8 obvious one we talked about. The load is here. There  
9 is where people use a lot of electricity, and it's  
10 growing. It's growing significantly in the Bay Area.  
11 This plant and the Enron facility are being proposed  
12 and developed to meet the very real need for power in  
13 the greater Bay Area, and that's where the power will  
14 go to. It stays local.

15           Another good reason for locating here is the  
16 infrastructure. The fact that there are already lines  
17 out there. There's easy access to natural gas, which  
18 will be the fuel for this project, and I think most  
19 importantly is that the Pittsburg and the Delta area  
20 understands industrial development. Industrial  
21 development has been a part of the history here, more  
22 so than other communities. I think they know what an  
23 industrial project is and what kind of questions to ask  
24 and what to expect. This process will show they will  
25 expected only the best. So Pittsburg is a good place.

26           What this thing is and what it isn't. I'm  
32



1 going to throw some industry terms at you here, and  
2 sort of hang in with me for a few minutes, and we'll  
3 see if we can get through it.

4           This is what's known as an advanced combined  
5 cycle cogeneration facility. You don't have to take  
6 notes. The premise of this kind of electric generation  
7 facility is the use of a combustion turbine to drive  
8 the generator. A combustion turbine would be a -- what  
9 you would recognize as a jet engine. Only this  
10 generator is really, really, really, really quite jet  
11 engine. We'll talk more about that later.

12           It's a combined cycle in that the exhaust  
13 from this engine -- this jet engine goes into a heat  
14 recovery steamed generator, makes steam and that steam  
15 is then used to make electricity for the steam turbine.  
16 This combination of the combustion turbine and combined  
17 cycle results in one of the most efficient ways we have  
18 to use fossil fuel to make electricity. It's about  
19 40 percent more efficient than traditional facilities  
20 use and dramatically cleaner. Susan will be talking  
21 about how clean and why a little bit later.

22           This is not your grandfather's power plant.  
23 This is not the power plant I worked in here in  
24 Pittsburg. This is the next generation. It will keep  
25 the lights on. It will keep the life cycle the way it  
26 is and our society going the way it expects to go.

1 This is where it comes from.

2           The site, as I mentioned -- I get to use the  
3 laser pointer -- The site as I mentioned -- I know this  
4 is difficult to see, but if you get a chance come up  
5 and take a look -- as we saw on the tour is located out  
6 at the Dow site. This (indicating) being Dow. This is  
7 the Dow project here (indicating). This (indicating)  
8 is Delta Diablo Sanitation, and as you can see in the  
9 area around it, it's surrounded primarily by heavy  
10 industrial and other like industrial commercial. This  
11 is the old American Bridge Plant here (indicating),  
12 Posco (indicating). This (indicating) is a mall.  
13 U.S. Steel (indicating), of course.

14           The closest residential area as we mentioned  
15 are right here (indicating) Casa Medanos and  
16 Hazel's Place on the corner, which is the other. Those  
17 are the closest residences.

18           The project has a couple of interesting  
19 features in regard to what we call the linear  
20 facilities. As we mentioned on the map here  
21 (indicating), on the site here (indicating), the gas  
22 pipeline follows the Burlington Railway Corridor from  
23 the site past the Antioch Water Plant to the Antioch  
24 Gas Terminal. The intent is to place this pipeline in  
25 existing Dow right of way that currently exists there.  
26 So it's got a number of abandoned pipe right of ways,

1 and the intent is to complete the acquisition of those  
2 rights of ways to place the pipeline there.

3 As you may have heard Susan say out on the  
4 tour, one of the features that we're particularly proud  
5 of, is that we're proposing to directional drill under  
6 the Dow place. That's a way you drive the pipes almost  
7 straight down at an arc and come up on the other side,  
8 about 4,000 feet, and the idea there is to have the  
9 pipeline completely avoid power lines. I think as  
10 Susan mentioned earlier, I think it's about 90 feet.

11 Another interesting feature about the  
12 project is that we're in discussions with Delta Diablo.  
13 Paul Causey's here. We'll have a little chat with him  
14 about taking effluence from the Delta Diablo Sanitation  
15 facility and using it for a cooling tower. Our current  
16 proposal is that we would take the -- that effluent,  
17 what we call secondary effluent. It's currently going  
18 into the river. We would divert a portion of it. We  
19 would treat it to new regulations so we could use it in  
20 the cooling tower, and then return our waste product  
21 back to Delta Diablo outflow. We're also in discussion  
22 with Delta Diablo where they would actually provide us  
23 treated water directly. The point of this is, it's  
24 really a win-win, and as I like to joke, in the past  
25 we're using secondary effluent for a second time, so  
26 it's got to be four times as good. We're excited about

1     that.

2                     The last feature we're going to show, this  
3     is the artist's rendering, which shows the three --  
4     we'll call it the three-engine configuration, the  
5     cooling tower, some of the other appurtenances. We  
6     haven't quite figured out how to make these things look  
7     like a Starbuck's Coffee yet.

8                     So basic statistics, this is a large  
9     facility. It will produce about 880 megawatts, and  
10    that's enough to supply about 900,000 volts probably.  
11    This is a substantial facility, and it's being built to  
12    meet a very real regional need.

13                    I'd like Susan now to speak to the  
14    environmental aspects.

15                    MS. STRACHAN: What I'd like to do is just  
16    briefly go through with you the physical contents of  
17    the applications presented to the Energy Commission.

18                    There's a lot of study and research we used  
19    in preparing that application. There's some mitigation  
20    and things I want to point out, and I know going  
21    through an application might seem like reviewing tax  
22    forms, so I'll try to make it not quite so unbearable.

23                    The Energy Commission has regulations that  
24    applicants need to include in their application. What  
25    Chris has put up on the overhead -- I hope everyone has  
26    their glasses on -- are a list of 16 environmental

1 issue areas that have to be addressed. In addition to  
2 the 16 environmental issue areas that need to be  
3 addressed, there's also plant engineering, transmission  
4 line engineering, the reliability of the plant and its  
5 efficiency, and any closures. So the Energy Commission  
6 is involved in the project not only from its infancy in  
7 terms of the licensing process, but up until the plant  
8 closure.

9 I'd also like to say having been involved in  
10 the siting of several power plants with the Energy  
11 Commission, it's a very, very, thorough process, and I  
12 think that there's some comfort that can be taken in  
13 that there are 16 formal issue areas that are  
14 addressed, and I sort of call it the "no stones left  
15 unturned approach," which is really good. The Energy  
16 Commission will analyze all aspects.

17 We cover all of the requirements that they  
18 state in our application, but now as we're in this  
19 discovery process, as Paul mentioned, there will be a  
20 continuing period of questions and answers back and  
21 forth to make sure that they have addressed all issues  
22 for when they put their analysis together.

23 Now, as I mentioned, that list is quite  
24 extensive of the issue areas. Each section describes  
25 the project in detail on the subject matter. It also  
26 addresses cumulative impact, how we comply with

1 standards and how we've addressed mitigation measures.  
2 So what I'd like to do is briefly go through each one,  
3 just point out some of the highlights.

4           Can we start first with biology? Just to  
5 give you an idea of the type of work we did in that  
6 area, we did extensive surveys starting from last year  
7 where we not only look at the project site but a lot of  
8 miles surrounding the site that will impact the project  
9 in terms of corridors for the transmission lines and  
10 the gas lines. We look at the specific corridors, but  
11 also 1,000 under those corridors. What we're looking  
12 for is protective plant and animal species, as well as  
13 what their habitats are. In addition to the CEC's  
14 process, we'll also go through other agencies,  
15 regulatory agencies, to make sure that all of their  
16 concerns are addressed with regard to protection of  
17 those species and habitats.

18           Culture resources and paleontologic are the  
19 same. Paleontological resources refer to fossils.  
20 Culture resources are fossils related to Native  
21 Americans and important issues to discuss. Again, we  
22 do ground surveys on the planned site in addition to  
23 the gas line route, as well liturgy searches to see if  
24 someone else during previous projects research had  
25 discovered any known signs.

26           Traffic is always an issue. It's a concern

1 in this area. What we do in our section there is take  
2 existing levels of service of nearby roads that will be  
3 used by this project. Levels of service is basically  
4 the number of cars that are using the road both on peak  
5 and commuter traffic times. We then take our  
6 construction workers and operation workers and see if  
7 those workers using this route would impact traffic.  
8 Now, I know all of you know that there is a lot of  
9 traffic in the area, and one of the things that we did  
10 in addition to that is that during the construction,  
11 for example, our workers will be avoiding those peak  
12 traffic times. So they will always come to work before  
13 those peak traffic times in the morning, for example,  
14 or after, or leave work before or after those peak  
15 traffic times so they're not impacting those areas.

16 The definition for noise is, there's a  
17 sensor receptor out there now at Casa Medanos, and then  
18 there's another one's at Hazel's Place. There's a  
19 house up behind there. We did -- The Energy Commission  
20 requires that you do 25 hours of monitoring, put a  
21 noise monitor out there and let it record noise for a  
22 25-hour period so you know what is the noise before the  
23 project. The requirement is that you put it in an area  
24 sensitive to the receptors, such as an area as  
25 Casa Medanos. We have concerns, so we wanted to make  
26 sure we covered all the bases, so we put a monitor also

1 out at Hazel's Place. We did spot checking at 2:00,  
2 3:00, 4:00 o'clock in the morning in that 25-hour  
3 period, but did spot checks around the perimeter of the  
4 site and then went out into some other areas of Antioch  
5 and Pittsburg and did spot checks and we reported in  
6 extensively so we have a good record on what the noise  
7 levels are. What we then did was take the average  
8 lowest of the low time, which is 2:00 o'clock,  
9 3:00 o'clock in the morning, and from that noise  
10 level -- that lowest noise level is roughly 48 decibels  
11 and will be mitigating at 52. Just to give you an idea  
12 of what the noise levels are, we have a noise meter  
13 here. Me talking is at 65. Doug was about 80.

14 Air quality is always an important issue to  
15 discuss. Generally speaking, this is very, very  
16 simplistic in terms of the air quality analysis. If  
17 you look at what exists here based on existing  
18 monitoring stations in the area, there's one down on  
19 Tenth Street in Pittsburg. There's also one in  
20 Bethel Island, ten miles down route from the facility,  
21 and from there you take your project's maximum hourly  
22 daily annual emissions and determine whether or not the  
23 project is positive for state minimum standards, and  
24 this project, based on monitoring work that we did,  
25 that is taking background, and the project emissions  
26 were not positive. We are, though, making the



1 emissions by obtaining emission reduction credits.

2 Offsets is another name for that, and we'll be seeking  
3 to obtain offsets from this facility.

4           Socioeconomics, and I'll try to hurry  
5 through this to some the extent. Socioeconomics is an  
6 interesting area. It's wanting to make sure that there  
7 are enough workers in the area, or to assess that there  
8 are enough workers in the area. If not and workers  
9 would have to come into the area, what impact would  
10 that cause to available housing, schools? What impact  
11 will this project have on services like fire, police  
12 services, that kind of thing? So I think that's an  
13 interesting area that a lot of people don't think about  
14 in terms of being assessed, but, again, it's a  
15 requirement of the Energy Commission.

16           Water resources is, is there an impact to  
17 the water that we're using and also how we're  
18 discharging. As Doug had mentioned, we're taking water  
19 from Delta Diablo and then discharging it out the out  
20 fall. We do have to get an additional permit from the  
21 regional water control boards. They also will be  
22 looking at the discharge aspects of the project.

23           Public health. We have to conduct a health  
24 risk assessments on the contaminants for the emissions  
25 requirement.

26           Hazardous material handling. How to

1 identify all of the hazardous materials that will be  
2 used both in the construction and operation of the  
3 plant, and then from there to indicate how it will be  
4 stored, the type of containment and making sure that  
5 there are going to be offset impacts.

6               With waste management, it's dealing with the  
7 disposal of waste, obviously, both during the  
8 construction and operation. We'll be recycling those  
9 materials that are recyclable, and for those that are  
10 not is there capacity in the existing landfills to take  
11 up waste?

12              Visual resources is, I think, probably the  
13 most interesting section to look at because it contains  
14 visual simulations. We're working with the Energy  
15 Commission to identify what are called key observations  
16 for this project. Casa Medanos would be one, where you  
17 take a picture of the plant before the -- excuse me,  
18 take a picture of the site before the plant, and then  
19 there's actually a visual simulation to show you, or  
20 give you an indication of what the plant will look like  
21 when built. This here (indicating), as you see, is a  
22 simulation. It's an aerial shot, but it looks  
23 realistic. They do a really good job, and it gives an  
24 indication.

25              One thing we will be doing is, landscaping  
26 is a typical thing for beautification of plants and

1 provides some visual screening, and we thought when we  
2 were working on this that since the project is a way  
3 from Pittsburg-Antioch Highway, we can do more  
4 effective landscaping instead of just landscape right  
5 there at the border. So what we're doing is working  
6 with the City of Pittsburg to actually do some  
7 landscaping beautification along the Pittsburg-Antioch  
8 Highway.

9           A couple more. Under land use, we need to  
10 ensure that we comply with the City's land use  
11 policies, not only the City of Pittsburg, but the gas  
12 line is from the City of Antioch's, so we do have to  
13 obtain a variance, for example, from the City of  
14 Pittsburg for stack height. Our tall stack is  
15 144 feet. There are other structures in the vicinity.  
16 For example, the water tower at Dow you've seen while  
17 you were out there. That's 150 feet. There's water  
18 towers that are 85 feet, but the City of Pittsburg has  
19 set limits, and you have to apply for a variance, and  
20 we'll be doing that.

21           Agricultural and soils. This is for things  
22 that the project will impact in any way agricultural.  
23 There are some grapevines out on the gas line route  
24 adjacent to the route. Soils and erosion control.

25           And last but not least, geologic resources.  
26 This is primarily an engineering standpoint. Again,

1 earthquake -- it's actually an interesting section to  
2 read, because it's telling you what faults are existing  
3 potential for quakes and then assuring that we design  
4 the plant to take those earthquakes into consideration.

5           There is a copy of the AFC, application for  
6 certification, on the table over there, if anybody's  
7 interested. As Paul mentioned, there are some  
8 available at the libraries.

9           MR. BUCHANAN: To keep you on schedule here,  
10 we'll close our remarks here.

11           Just one thing I failed to mention. We  
12 talked a lot about the transmission line. I just want  
13 to briefly reiterate that we have an overhead section  
14 that addresses hostile balances underground -- from the  
15 City of Pittsburg, on the underground portion to  
16 participate with Enron in making sure that any  
17 disruption of that corridor happens once, and we'll  
18 have to basically realize their desire to have the  
19 Eighth Street Corridor to be rebuilt and bypassed and  
20 that sort of thing. So I didn't mean to pass that by.

21           We want to acknowledge that there are  
22 concerns with these kinds of projects. Susan has  
23 mentioned something about environmental projects. Air  
24 is always an issue. We look at the real cumulative  
25 impacts as a condition of this plant, and if it, with  
26 Enron or any other source, does not exceed regional

1 standards, does not impose an impact to help.

2                   With us here tonight is Gary St. Surgis  
3 (phonetic), advising us on air quality, air monitoring  
4 issues. Gary flew all the way back from Kuau  
5 yesterday where he said he was working. Other  
6 environmental issues, obviously Susan is a great  
7 resource. David Augustine from CH2Hill is here and  
8 he'll raise his hand. Please address your questions to  
9 David if you want.

10                   Just in closing, I just want to reiterate  
11 that we want to be accessible to you to answer  
12 questions. We want to encourage you to participate in  
13 this process with the Energy Commission, and that's how  
14 the right things get done. This isn't a done deal.  
15 This is the first night out. We want this community to  
16 be not only accepting of this project, but to look at  
17 it as being ultimately a benefit to the community.

18                   With that, I'd like to close. I thank you  
19 for your attention, and all of those of you that are  
20 approaching 100 may you leave. Those of you that are  
21 not approaching 100 must stay. Thank you for your  
22 attention.

23                   MS. GEFTER: Thank you very much. We would  
24 now invite the public to ask questions of the  
25 applicant. There's a microphone right here so we can  
26 hear you and the reporter can hear you.

1                   Would you please come up to the microphone  
2   and tell us your name and the applicant can answer your  
3   questions. Thank you.

4                   MS. LAGANA: Paulette Lagana, representing  
5   CAP-IT.

6                   I have a couple of questions regarding the  
7   emissions reduction credits, the offsets. Which ones  
8   are you seeking?

9                   MR. BUCHANAN: We're seeking the emission  
10   reduction credits for nitrous oxide, NOX, PM-10 which  
11   particulates, hydrocarbons, a small amount, and what  
12   was the last one? Sulfur dioxide.

13                  MS. LAGANA: And the stacks are only going  
14   to be 144 feet high?

15                  MR. RICHINS: Yes, that is the height.  
16   That's correct.

17                  MS. LAGANA: Is that because the Bay Area  
18   quality is so low?

19                  MR. BUCHANAN: No. We are set at 144.  
20   There are basically two things that drive that  
21   particular height. I'm going to ask Jerry here to  
22   throw something at me if I mistake this. We have a  
23   model to the project to look at a worse case scenario,  
24   that is, all three combustion turbines to operate at  
25   full load is a condition called duct firing, which uses  
26   more fuel and auxiliary boilers can overload, and

1 testing the diesel emergency and fire pumps. So it's  
2 basically everything on, everything wide open, and  
3 we've attempted to take a very conservative approach of  
4 that tailor modeling scenario, and with that approach,  
5 we come up with 144. There's also mechanical reason,  
6 our dampers, but to use a worse case scenario and that  
7 was what we arrived at.

8 MS. LAGANA: The staff of 25 to 30 people,  
9 you had said on the bus, will there be someone on  
10 site -- is this a 24-hour, seven-day-a week operation?  
11 Will there be somebody on the site all the time, or  
12 will there be any unmanned hours on the site?

13 MR. BUCHANAN: There will be no unmanned  
14 hours of the site. This unit, although I'm  
15 characterizing as a middispatch type of unit, that is  
16 it will be amped way down at night and for the  
17 weekends, that's a function of command in the Bay Area.  
18 It always needs to be ready. It always needs to have  
19 someone there to bring it on if called upon to operate.  
20 So it will be staffed around the clock, seven days,  
21 regardless of what time of year.

22 MS. LAGANA: Thank you. The libraries that  
23 this information is at, is that local both Antioch and  
24 Pittsburg?

25 MR. RICHINS: Yes.

26 MS. LAGANA: And Bay Point --

1                   MR. RICHINS: And central.

2                   MS. LAGANA: And Bay Point as well?

3                   MR. RICHINS: I don't know.

4                   MS. LAGANA: So Pittsburg, Antioch, and

5 central. Thank you.

6                   MS. GEFTER: Do we have more questions?

7 Please come up.

8                   MR. DUNBAR: My name's Jerry Dunbar, and I'm

9 director of economic development for the City of

10 Pittsburg, and Mr. Kolin, our City Manager, was unable

11 to attend, and we wanted to make a couple of

12 statements.

13                   First of all we wanted to welcome you to the

14 community and we're glad to be able to be here and be

15 here in the -- with folks in the community. I wanted

16 to mention, we want particularly the audience to know

17 that Calpine and Bechtel have been very forthright and

18 very cooperative with the City during this entire

19 process, and we know from our colleagues in Antioch

20 that they have been equally cooperative and forthcoming

21 and helpful with information to the Antioch folks as

22 well. That's extremely important as we press ahead and

23 investigate these issues and look at all the concerns

24 that the community might have and of the project which,

25 at this juncture, we seem to think are definitely

26 there. We seem to think as, Mr. Buchanan said, there



1 is a need in this region, and we think that a well done  
2 and responsible project will be an asset to the region,  
3 and we look forward to working with Bechtel and  
4 Calpine.

5 I think it's this kind of effort that  
6 members of the community and the Commission and  
7 certainly the respective cities can be assured that  
8 they end up with a good project that's not only good  
9 for their respective communities, but also for the  
10 entire regions.

11 We have been working with Calpine-Bechtel,  
12 as well as with Enron, on this transmission route. As  
13 you know, it will be both aboveground as well as  
14 underground and go near residential areas. We have  
15 preliminary assurances from all the parties that we can  
16 probably end up with not only some nice undergrounding,  
17 but some landscaped areas that will be a benefit to the  
18 community. We're encouraged by that.

19 There is one thing that it's really not in  
20 the purview of this Commission, and I don't think the  
21 applicant can do anything about it either, but I am  
22 going to mention it, and that is a concern that we have  
23 and that is the State Board of Equalization Proposed  
24 Rule 905, and it states that a resident of a facility  
25 such as this would not have the kinds of tax benefits  
26 accrued in the community that we think are justified.

1 The applicant we know, through their trade  
2 organizations, have been working with the State Board  
3 of Equalization. I might add that the City working  
4 with Senator Grady's office is trying to work with the  
5 Board of Equalization to try to make any corrections to  
6 that. In summary, what it would mean that communities  
7 that site a facility such as this one, which have a  
8 small fraction, possibly 100th of a property tax, would  
9 otherwise be the case without the state proposal. That  
10 is not really under the purview of this Commission. I  
11 did want to mention it it, though, because it is very  
12 much a concern.

13               Again, we are pleased with the kinds of  
14 information and the style and the community and we look  
15 forward to continuing to work with the applicant.

16               MR. RICHINS: I'd like to thank Jerry and  
17 expand a little built.

18               It's another -- This rule 905 and the State  
19 Board of Equalization is another example of how this  
20 market is changing. Up until now, facilities like the  
21 PG&E facilities really taxed at the level and the  
22 proceeds went -- assessed the tax and the proceeds were  
23 received at the state level. Correct me if I'm  
24 mistaken, I think the City of Pittsburg received  
25 \$15,000 a year from Pittsburg power plants. Is that  
26 correct?

1                   MR. DUNBAR: That's an approximation, but  
2   that's pretty darn close.

3                   MR. RICHINS: It's indicative of how the  
4   state now -- these projects are being proposed and  
5   managed by independent developers. The local community  
6   wants to see local benefit, and we support the city in  
7   that effort.

8                   MR. GOGLIO: Members of the Commission, my  
9   name's Joe Goglio. I'm representing the Central Labor  
10   Council of Contra Costa County.

11                  I don't know if this is the appropriate  
12   point in the agenda, and we're here to speak, urging  
13   your favorable consideration of the application. I'm  
14   here representing our organization, which has among it  
15   70,000 members that live in Contra Costa County, 6,000  
16   households that live in Pittsburg, and several thousand  
17   in Antioch.

18                  Many of these include long-term,  
19   long-resident homeowners in the cities in Antioch and  
20   Pittsburg who have been concerned and seen a decline in  
21   the economy in the loss of family wage jobs. The  
22   prospect offered by this plant, both in the jobs  
23   provided by the construction, of the jobs provided by  
24   the operation of the plant are a matter of  
25   considerable -- are provided a very bright prospect for  
26   many of these people.

1                   So we feel that this is a project and  
2   activity which would be very, very beneficial to the  
3   economic health of this region.  However, we, as  
4   residents of the area, our concern as always as it  
5   should be with the environmental impacts of this  
6   activity, and I'll have to say, sharing Mr. Dunbar's  
7   impression, that the applicant has been very  
8   forthcoming with information.  When we discussed with  
9   him the environmental impacts and how they would affect  
10  our members as residents in the community, the  
11  assurances they offered of the manner of operation of  
12  the plant, technology, made us confident that this  
13  would be a good addition to our neighborhoods.

14                  We urge you to move forward with the process  
15  and hope that you will allow for the timely  
16  construction for the Delta Energy Center.  We thank you  
17  for your time.

18                  MS. GEFTER:  Any other comments or  
19  questions?

20                  MR. DYER:  Madame Chair and Commisioners, my  
21  name is Cary Dyer.  I am the CEO of the Antioch Chamber  
22  of Commerce.

23                  I first became aware of this project in  
24  October 1998, and when Mr. Buchanan contacted our  
25  organization, and we invited him to come at the end of  
26  October to make our presentation to our Board of

1 Directors, were we glad we did. I was impressed by the  
2 presentation and impressed by the company. I am aware  
3 of Bechtel. My wife worked at Bechtel for seven years,  
4 so I know of their history. I know of Dow Chemical's  
5 history. I know that they are two reputable companies,  
6 and from what I've been able to gather, Calpine is the  
7 same way.

8               They bring to this community a valid  
9 project, a project that will create jobs, single wage  
10 earner jobs, which is important for the community.  
11 They have been very forthright as, Mr. Dunbar said, in  
12 their application process.

13              I have lived in this community since 1962,  
14 and I think this is a project that will bring a lot to  
15 the community. The only negative thing I can say about  
16 it, and I shared this earlier is, it's in the wrong  
17 city, but I suppose that's something we'll have to live  
18 with.

19              We look forward to having this project in  
20 our area, because we know that when a job is created in  
21 Pittsburg that Antioch also benefits from it in some  
22 measure, so we're glad to see them come to this  
23 community and look forward to having them as a  
24 long-time resident.

25              MS. GEFTER: Any questions of the audience?

26              MR. BUSTOS: Hi. My name is Robert Bustos.

1 I'm also a life-long resident of Pittsburg of 44 years.  
2 I'm also a 17-year member of Steamfitters Local 342,  
3 one of the building trades here in Contra Costa County.

4           Number one, I'd like to say I'm glad to see  
5 that Calpine and Bechtel, which are two Bay Area  
6 corporations, taking a joint proposal into our  
7 community. I don't know how many times, me being a  
8 tradesman, looked to see out-of-state, out-of-area  
9 contractors and developers coming in and not only  
10 bringing their people, but bringing construction people  
11 into our area and turned a lot of us out of work. This  
12 is where I live. This is where I want to work. This  
13 project will add a significant number of construction  
14 and operation jobs for local residents.

15           One thing I'd like to hit on, Susan, you  
16 were talking about social economic issues, and the  
17 availability of construction workers and/or operational  
18 workers here in this area, and believe me, there are a  
19 lot of qualified people here to do an efficient job and  
20 a safe job. I've worked on facilities that are similar  
21 to this in some of the refineries, and it is a very  
22 clean facility to build and operate.

23           Equally important, I think that both Bechtel  
24 and Calpine take a strong stance and look at the  
25 environmental issues, environmental sensitivity of the  
26 area, such as the Dow Weapons and what to do to

1 minimize the impact in that area.

2           The fact that this plant will be located in  
3 an existing industrial area makes it highly attractive  
4 to Pittsburg. In addition, providing steam and  
5 electricity to Dow, it'll also be able to supply  
6 900,000 homes with energy in the Bay Area. Like Doug  
7 hit on, the facility burns up to 40 percent less fuel  
8 and includes a standard emission proposal, which is  
9 very important here.

10           Hopefully with these two facilities, not  
11 only the Calpine project, but the Enron project, will  
12 also help spurn some of that economic development here  
13 in the East County region by offering low cost  
14 competitive energy to area business. I don't know how  
15 many of you are familiar with the  
16 Pittsburg-Antioch-Brentwood area, if you have seen the  
17 amount of residential growth here, we do need something  
18 where people here could work close in their area  
19 without having to commute to Silicon Valley,  
20 San Francisco, what have you.

21           Closing, I'd like to urge the California  
22 Energy Commission to look favorably on this project,  
23 and I appreciate your time.

24           MS. GEFTER: I have a question for the  
25 applicant.

26           Having jobs locally and being able to work  
55

1 on the project, what are the prospects of the Delta  
2 Energy project hiring local workers?

3 MS. STRACHAN: Thanks. We are committed to  
4 use locally for the project and supplies.

5 MS. GEFTER: Please come up.

6 MR. PERKINS: My name's Ron Perkins. I'm  
7 the director here at the East County Boy's and Girl's  
8 Club. I'm basically here to represent this project  
9 from the community standpoint. I feel the youth of our  
10 community are the focal points of the future, and I can  
11 say nothing but great for Calpine and their support.  
12 They've been incredibly generous and willing to work  
13 with us in any way possible. I think that could only  
14 help all the nonprofits as well as the community in the  
15 business sense, and I wish them all the best, and I  
16 really support them in any way I can. Thank you.

17 MS. GEFTER: Thank you.

18 Does anyone else have any questions of the  
19 applicant? Please come up. Thank you.

20 MS. STODD: Thank you. I appreciate coming  
21 before this Commission, and I would like to thank  
22 everybody that came out tonight.

23 MS. GEFTER: Could you please tell us your  
24 name?

25 MS. STODD: I am Bertha Stodd (phonetic).  
26 I'm the president of the Pittsburg Community Advisory



1 Commission.

2 I would like to say that on 7th of October  
3 of 1998, a presentation on the Calpine-Bechtel project  
4 was made before the whole commission here in the city  
5 of Pittsburg. This presentation project was widely  
6 accepted. They came with a folder containing a 14- or  
7 15-page brochure, a map showing the site, and two other  
8 sheets of information. One of these sheets talks about  
9 partnering with the Pittsburg community, and I feel  
10 that Calpine has done that. They are continuing to do  
11 it all the time. We are receiving notification of  
12 everything that they're doing.

13 A statement made in the Pittsburg Chamber of  
14 Commerce Newspaper in December talks of the procedure  
15 that Calpine-Bechtel must do prior to building. I  
16 believe that they are doing this. I believe this  
17 project is being constructed on a very appropriate  
18 site. Calpine is continuing to support, and they are  
19 continuing to advise the whole community of what they  
20 are doing, and I certainly appreciate them. I think  
21 that they are a very appropriate project to be going on  
22 in that site where they're at.

23 Thank you very much, and I appreciate  
24 everybody that has come out.

25 MS. GEFTER: Thank you very much.

26 Does anyone else have any questions? We

1 welcome all your questions. This is your opportunity  
2 to come up and ask questions about the project.

3 MS. PEARSON: Good evening. My name is  
4 Gail Pearson. I'm a life-long resident of the city of  
5 Pittsburg, and I'm also on the board of the Pittsburg  
6 Chamber of Commerce, and I am here to speak in favor of  
7 the Calpine-Bechtel project.

8 Part of my job, and I feel that part of my  
9 job as a resident of Pittsburg and part of my job on  
10 the chamber, we are here to stimulate the economic  
11 development in our region. As most of you know, over  
12 50 percent of the people who live in East Contra Costa  
13 County commute outside of this region to jobs someplace  
14 else. We'd like to have more jobs in this area. We  
15 believe this project will stimulate the economic  
16 development efforts by many people in this region, and  
17 that's why we are in favor of this project.

18 We also like the fact that it's going to  
19 bring new construction jobs to the area and new  
20 operational jobs to the area, as you already heard and  
21 heard on your bus trip.

22 We like the fact that this project is going  
23 to be located in an existing industrial zone. We think  
24 that that's a real plus for this project and the people  
25 who live here.

26 We believe that Bechtel and Calpine are the  
58

1 right type of companies to provide this project. They  
2 are using new clean technology, which shows their  
3 commitment to the environmental sensitivity and safety.

4 I urge you, the Commission, to support this  
5 project, and thank you for giving me the opportunity to  
6 speak. Thank you.

7 MS. GEFTER: Thank you. Does anyone else  
8 have questions?

9 MR. TURNER: My name is Darnell Turner. I'm  
10 the 1st vice president for the NAACP, and I'm here to  
11 represent a position that we support the influence of  
12 Delta Energy Center here in the city of Pittsburg and  
13 East County.

14 One, we believe that it is economically  
15 feasible for this community's benefit and also  
16 beneficial for job and economic growth in our area.

17 Secondly, as you know, for years there's  
18 always been a question about environmental issues for a  
19 number of years, and we're concerned with those kinds  
20 of issues as well, but we believe from what we've read  
21 and the speakers we've heard, and as we continue to  
22 investigate, we see that that may not be an issue here  
23 because of the open access that we've had in talking  
24 about sensitive issues and sensitive materials.

25 So we support the center, and we support the  
26 benefits that it will provide to this community, and

1 we're also offering our support as the establishment of  
2 the center constitutes more issues, that we will  
3 continue to work with any representative of Bechtel and  
4 Calpine in the future on any other type of efforts that  
5 they might want to do in order to be a good industrial  
6 neighbor in our community. So we support that effort.  
7 We ask this Commission to consider the sentiments that  
8 are voiced here tonight and also those that have been  
9 voiced earlier.

10 MR. CAUSEY: Good evening ladies and  
11 gentlemen. My name's Paul Causey. I do have a  
12 question.

13 I just want to make sure everybody's dinner  
14 was fine tonight. The reason I would ask that is  
15 because when we got off bus tonight we were 100 feet  
16 from discharge of the treatment plant, where all the  
17 water is treated daily, 13 and a half million gallons  
18 is on its way out to the river, and, as Doug said on  
19 the way in, you might smell something. How many of you  
20 smelled anything out there tonight? Well, we did our  
21 job. Thank you for you are coming and seeing the  
22 treatment plant.

23 We are very excited about this project. One  
24 of the people who spoke earlier talked about  
25 partnering. This project for us has great amounts of  
26 partnering in it. There will be steam available we

1 might be able to use for dry sludge. It will save us  
2 money. We're going to be able to discharge our waste  
3 water, use our waste water a second time, discharge at  
4 a much less cost than it would otherwise.

5           We think this project is environmentally  
6 acceptable and in keeping with our requirements placed  
7 on us by the California Regional Water Quality Control  
8 Board. There are many other opportunities relative to  
9 safety, relative to the project itself, that we will be  
10 exploring with the proponents of the project, and we  
11 have, and are already, as you are aware with the Enron  
12 project, are substantially involved in evaluating  
13 discharge requirements for the Regional Board, dealing  
14 with the toxicity and other issues relative to the  
15 sewage treatment discharge for these types of projects.

16           This will be the first significant project  
17 in the East County area related to recycling. We have  
18 a small unit right now on sight. It has not been used  
19 for several years, but ultimately, as you may all be  
20 aware, there is a shortage of water in this area, and  
21 the consequent utilization of this area of reuse of  
22 water is very, very good in long-term for local areas.

23           So we're very excited about the project.  
24 We've worked probably almost eight or nine months now  
25 with Enron and Calpine, Bechtel. We have made great  
26 progress towards the issues that have to be resolved

1 for waste water organization, and we fully expect that  
2 within the next several months, we will have some very  
3 positive information that falls into utilization at a  
4 type of facility that might be built out there.

5           And just for those of you who came out today  
6 on the tour, where they showed you where the facility  
7 is to go, the area right next to the road itself is  
8 where we are proposing to place a seven and a half  
9 canned ED (phonetic) recycled water facility that would  
10 provide water to both this project and the Enron  
11 project. We're already doing that. We had financial  
12 support from both Enron and Calpine, and they're  
13 pursuing the development and engineering feasibility  
14 analysis for those facilities. We should be done in  
15 the next three or four months, and we should have a  
16 complete adaptation of the types of water for this  
17 project.

18           MS. GEFTER: What's the time line on that?  
19 If you decide to go ahead and build that, what's the  
20 time line?

21           MR. CAUSEY: The projects will be available  
22 in time for the first water use by Enron -- anticipated  
23 construction schedule right now, I think it's 2001.

24           I think that's all I have for you. We would  
25 encourage you to move along and accept this project  
26 very positively. Obviously, it would be a wonderful

1     partnering opportunity for us. This role may be  
2     relative to the reclaimed water issue.

3                     MS. GEFTER: Thank you. Are there any other  
4     questions?

5                     MR. SAKAMOTO: Good evening, members and  
6     Commissioner. My name is John Sakamoto, vice president  
7     of Eichleay Engineers in California.

8                     Tonight I represent the board of the Contra  
9     Costa Council. The Contra Costa Council is a nonprofit  
10    public policy organization. Our 400 members represent  
11    over one-quarter of all the jobs here in Contra Costa  
12    County. I'm here tonight to offer our endorsement and  
13    hopefully your favorable approval to go ahead with the  
14    project.

15                    Recently the Council endorsed a report by  
16    the Contra Costa Economic Partnership called, "Road Map  
17    to the Future." In there we are looking at how to spur  
18    economic development, quality of life, and we feel that  
19    the Delta Energy project does this.

20                    And on the first point it creates new jobs  
21    both in construction as well as permanent jobs. The  
22    \$400 million project will bring much needed revenue  
23    into the area. There will be purchasing construction  
24    supplies, materials, services from the many  
25    organizations and companies here in the Contra Costa  
26    area and added to the economic base.

1                   The applicant, Calpine, Bechtel as well as  
2   major part, has always been offering a good support of  
3   quality of life in the region, and we feel that they  
4   will continue to do so.

5                   And lastly, as an engineer, I personally  
6   worked on four separate cogeneration projects like  
7   this, and I can tell you it is a technological,  
8   superior way of producing power and energy, and I urge  
9   you to go ahead with the project. Thank you.

10                  MS. GEFTER: Thank you.

11                  He'll go next, and then you. Thank you.

12                  MR. GARCIA: My name is Ruben Garcia, and I  
13   live in Antioch, and I don't belong to any affiliate or  
14   anything.

15                  I do have one concern. My daughter and I  
16   didn't go on the tour this afternoon, and I am kind of  
17   sorry we didn't, 'cause she was in school, but I have a  
18   concern on the discharge of the water. There was a man  
19   speaking about the discharge. I guess he works at the  
20   plant, but I would like to know, is Calpine going to  
21   discharge any type of water directly to the river,  
22   because I know there's a lot of fisherman in this area,  
23   and I'm a fisherman, and I really don't want to see  
24   anything more -- you know, anything bad happen to the  
25   fish around here. That's my question.

26                  MS. GEFTER: Thank you. Do you want to



1 answer his question?

2 MS. STRACHAN: If I could. I believe I  
3 talked to you about this at our open house that we had  
4 in February.

5 The waste water discharge will go to the  
6 Delta Diablo out fall, and that goes into the slough,  
7 so it is where Delta Diablo is currently discharging  
8 their waste water. In terms of impacts to fish or any  
9 other aquatic life, our results of work that we have  
10 done is showing that's not the case. Obviously that's  
11 an issue that the Energy Commission is going to be  
12 looking at, as well as the Regional Water Quality  
13 Control Board, but we're not showing there's an impact  
14 to the aquatic life as a result from the waste water  
15 discharge.

16 MR. RICHINS: I'd like to expand a little  
17 bit on that.

18 It's important to understand what water  
19 we're using where. The project is currently proposing  
20 to divert that which now flows directly to the river to  
21 have treatment by Delta Diablo for cooling tower  
22 purposes. So we divert what now goes into the river  
23 into the cooling tower, and then the blow down, that  
24 which is not evaporated, returns back from out fall.

25 It's important to note that when you take  
26 the water, either as Paul described it as reclaimed

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1 water in terms of air treatment, or whatever treatment  
2 we do, we would posttreat it. Delta Diablo would treat  
3 it for our pumps for the cooling tower. This process  
4 does not in and of itself, add anything to that water  
5 stream. It does evaporate some of the water off, which  
6 means that whatever was in the out flow to begin with  
7 has a higher level of concentration, and our obligation  
8 is to make sure, to our water permit, that the  
9 concentration increase, which is already there, does  
10 not have impact on river quality.

11 So the two very important points are that we  
12 don't, in effect, add anything to the water that's  
13 already there, that is that comes from Delta Diablo,  
14 and we have an obligation to meet the basic plan for  
15 water quality standards for the Regional Water Quality  
16 Control Board.

17 MS. GEFTER: Thank you. Also, the Energy  
18 Commission staff will be reviewing the application and  
19 will be reviewing the issues that you were raising, and  
20 we will have a public process which you can discuss  
21 their findings with them, and you'll receive notices of  
22 the workshops if your name is on the list, and if your  
23 name is on the list and you checked your address,  
24 you'll receive notices of those workshops.

25 MR. FISHER: My name is Greg Fisher, and I'm  
26 on board of directors for Antioch Babe Ruth, and we

1 have about 400 kids that play in the league. On any  
2 given week, we have about 1500 individuals, kids,  
3 parents, grandparents, aunts and uncles, per week that  
4 are out on the fields. The Delta Energy Center will be  
5 our nearest neighbor and will be part of our skyline.  
6 What we are greatly appreciative of is that  
7 Sharon Crosswell and also Doug Buchanan have actually  
8 come down to the field and met with us and discussed  
9 this, and come down with the drawings on what is going  
10 to be presented, or what is going to be built and  
11 answered all of our questions.

12 We are fully endorsing this project. Our  
13 community of the players and parents make up Antioch,  
14 Pittsburg, Oakley, and Brentwood.

15 And, again, we appreciate that they have  
16 come out and sought our opinion prior to this, and that  
17 shows us that they care about our kids, and as being  
18 neighbors again, we want to thank you in endorsing this  
19 project.

20 MS. GEFTER: Thank you. We're going to have  
21 to move on. We'll take one more question.

22 MR. ANDERSON: Good evening. My name is  
23 Scott Anderson, and I'm with the Dow Chemical Company,  
24 and I suppose many of you are asking yourselves this  
25 evening, "If this is such a good project, why doesn't  
26 Dow do it, since they had the first power plant in the

1 area?"

2 I'd like to spend about two minutes and  
3 address that question, if I might, and give a little  
4 bit of historic prospective on how Calpine came to be  
5 in Pittsburg and how Dow chemical came to be what we  
6 are in Pittsburg.

7 Many people don't know that back in mid-'70s  
8 that Dow Chemical Company was the fourth largest user  
9 of power in the United States. At the same time, we  
10 were the 11th largest producers of power in the United  
11 States not regulated by the UC, but we were a  
12 significant producer of power.

13 Over the years our products and our chemical  
14 production facilities changed significantly to where  
15 today we don't need to be the producer of power that we  
16 needed to be some 25 or 30 years ago.

17 I was interested in Doug's sharing his  
18 heritage with us. I wish I could say that my family  
19 came here in 1850 as well. All I can say to that is  
20 that in the 1940s, I had three brothers, one  
21 brother-in-law and one father-in-law that came through  
22 here on their way to the South Pacific. It doesn't  
23 quite come across as the same, but there's a  
24 significant history as well. I've lived here 26 years.

25 As far as Dow and the power plant in  
26 Pittsburg is concerned, Dow established the first

1 cogeneration facility in East County, I think, back in  
2 the early '60s, "cogeneration" meaning that we used  
3 both the heat from gas engines and thrust from the gas  
4 engines to produce electricity and also to produce  
5 steam. In that period of time, we were producing a  
6 product called chlorine, which many of you are familiar  
7 with, at this site, and about that time we were using,  
8 since the production of chlorine uses massive amounts  
9 of energy in production, we were using about 80 percent  
10 of the energy we produced and selling approximately  
11 20 percent. In the mid-'70s, the steel mill then,  
12 U.S.S. Posco Industries, they came to us, and they were  
13 operating five steam boilers in their production  
14 facility and asked if they could purchase steam from  
15 us, and so in about 1978 we constructed a 16-inch  
16 diameter pipeline from the Dow Power Plant over to  
17 steel mill and have been supplying them steam ever  
18 since.

19 Then in the early 1990s, we made a decision,  
20 an economic decision to shut down the production of  
21 chlorine at the Pittsburg site. At that point in time  
22 things changed drastically in our production in that we  
23 no longer used about 80 percent of the steam and the  
24 energy that we produced and sold 20 percent. All of a  
25 sudden we were selling about 80 percent and using only  
26 about 20 percent. So we had to make a decision at that

1 time, are we going to continue to produce power here  
2 for this site in Pittsburgh where we have been operating  
3 since 1939, or is it time for us to look for another  
4 partner, and at that time deregulation was raising its  
5 head, and it's something that we'll all feel the  
6 effects of, I think, and hopefully they're going to be  
7 positive. So the facility was offered up for sale.  
8 The existing Dow facility, Dow Power Facility, and  
9 Calpine, as Paul mentioned earlier, was one of the  
10 bidders on the project, or one of the potential owners  
11 of the project, and we're pleased to have them as the  
12 owner of our existing power plant.

13               So in today's era of deregulation, we can  
14 buy power from Calpine for a lot cheaper, a lot less  
15 money, than we can produce it ourselves. It doesn't  
16 make since for the Dow Chemical Company to produce a  
17 product that we can buy for less from a responsible  
18 member of the community like Calpine. So we would like  
19 to endorse this project and urge your endorsement of  
20 the project. From our prospective, Calpine has been  
21 accessible, and they've also been responsive to  
22 questions and concerns in the community and any pursuit  
23 that they will continue to do so in the future.

24               MS. GEFTER: Thank you. If anyone else has  
25 any questions, we would like to hear your questions.

26               MR. ADAMS: My name is Doug Adams, and I was  
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1 born and raised in Pittsburgh for 45 years. On the way  
2 over here I heard an advertisement on KCBS on green  
3 power, and I believe I asked this (indicating)  
4 gentlemen here from Calpine what the definition of  
5 green power is. So if anybody else is not aware of  
6 what green power is, I wish he would stand up and give  
7 another definition of what green power is. I was  
8 really impressed with his answer.

9 MS. GEFTER: Could you please tell us your  
10 name?

11 MR. BERTACCHI: My name is Bryan Bertacchi.  
12 I work for Calpine Corporation. I'm the plant manager  
13 of the existing power plant that's inside the Dow  
14 facility.

15 Calpine is the largest green power producer  
16 in the United States, meaning we own the geysers and  
17 geothermal fields, so we produce a lot of general power  
18 which is renewable resource, and that's considered  
19 green power.

20 Other green power sources are solar power,  
21 which you're all aware of, and wind power. Solar and  
22 wind power represent a very small portion of the  
23 available green power in the United States, so  
24 geothermal power is overwhelming.

25 MR. ADAMS: So what this kind of brought to  
26 my mind was I thought, after I heard this commercial on

1 KCBS, I might have to investigate this green power. It  
2 sounds pretty interesting. Now I come here tonight,  
3 and I'm happy to hear that this new facility is going  
4 to be considered part of green power --

5 MS. STRACHAN: No.

6 MR. ADAMS: It's not?

7 MS. STRACHAN: It's a clean source.

8 MR. ADAMS: So now I stand corrected.

9 But anyhow, I am in favor of the project  
10 because I believe it should be a lot better than what  
11 we have in existence, and I believe it's also a step in  
12 the right direction. So for everybody's own personal  
13 knowledge, I understand correctly. Thank you.

14 MS. GEFTER: Thank you. Any other  
15 questions? We still have quite a long session to go,  
16 so the point of all this is to ask any questions you  
17 have. We'll still give you an opportunity to ask more  
18 questions, but at this point, we need to focus on  
19 scheduling for the rest of this proceeding. This is a  
20 12-month project. This began on February 17th, and we  
21 also need to talk about the matters contained in  
22 staff's issue identification report, in which they made  
23 additional analyses of some of the issues that may be  
24 raised in that 12 months. We want to hear from staff.  
25 We want to talk about and summarize their issue  
26 identification report. Copies of the issue



1 identification report are at that front table, and we'd  
2 like to hear Calpine's responses. At this point we'd  
3 like to begin staff's issue identification report.

4 We're going to take a little break for one  
5 or two minutes so our reporter can rest her fingers.

6 (Whereupon, a break was taken.)

7 MS. GEFTER: We're back on the record.

8 We're going to ask the staff to present  
9 their issue identification report.

10 MR. RICHINS: We're going to summarize this  
11 very briefly. I'm just going to direct you to Slide  
12 Number 13 on the handout. Also for your information,  
13 for more details, on the back table is the issue  
14 identification report, which is about an 11-page  
15 document.

16 Staff has done a preliminary identification  
17 of the project. As I indicated earlier, we're in the  
18 discovery stage of the project, and so this is very  
19 preliminary and does not represent the grand total of  
20 our assessment nor the grand total of identification of  
21 the issues. So there could be other issues that are  
22 identified. As we hold workshops, we get input from  
23 the public and also input from other state, local, and  
24 federal agencies, but the short list right now,  
25 Potential Technical Issues that staff has identified.  
26 There are six of them.

1                   First one, air quality. In that area we  
2   have identified air quality offsets and cumulative  
3   impacts as some areas of concern. The cumulative  
4   impact, we'll do an analysis on this project, the Enron  
5   Pittsburg project, and existing facilities in the area.

6                   Biological resources was also an area that  
7   was identified, and to the gentlemen who spoke earlier,  
8   we will be doing an analysis in that are. Included  
9   wetland delineation, presented as species and  
10  fisheries. Land use --

11                  MS. GEFTER: I'm sorry. Did you explain  
12  that to the gentleman that asked the question about  
13  aquatic life?

14                  MR. RICHINS: No, I didn't.

15                  MS. GEFTER: But there will be workshops on  
16  these issues.

17                  MR. RICHINS: There will be workshops on all  
18  these issues and many others, so there will be plenty  
19  of opportunity to provide information from staff on  
20  those issues.

21                  On land use, there's a situation where the  
22  project will be proposing some buildings and stacks  
23  that are greater than the height restrictions of  
24  75 feet, and so we will be working along with  
25  Calpine-Bechtel. We will be working closely with the  
26  City as to the height bearing requirements.

1                   Also, there's an issue that was discussed  
2   earlier on noise on the sensitive receptors that are  
3   nearby. We'll be holding a workshop on that as well.

4                   Transmission system engineering. There are  
5   several issues and coordination issues with the  
6   California Independent System Operator, and those have  
7   been identified in the report.

8                   And, lastly, water resources. Both water  
9   supply, water quality, and impact to biological  
10  resources that have been identified early on as  
11  potential issues.

12                  So that concludes my summary, and there's  
13  more information on the issue identification report on  
14  the back table.

15                  MS. GEFTER: Does the applicant have any  
16  response to the issue identification report at this  
17  time?

18                  MR. RICHINS: No, we don't.

19                  MS. GEFTER: Okay.

20                  MR. RICHINS: It's appropriate, and we look  
21  forward to working on the issues.

22                  MS. GEFTER: And we expect that as  
23  Mr. Richins indicated, these items will be discussed in  
24  public workshops, most likely here in Pittsburg, and  
25  you will receive notices of these workshops, and  
26  especially you'll receive personal notices if you

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1 signed your name and and put a little checkmark on the  
2 sign-in sheet.

3 The next part of the hearing we need to  
4 discuss the schedule for the next 12 months. The  
5 Committee put out a proposed schedule. We have copies  
6 of that on the front table. The proposed schedule is  
7 pretty much based on the 12-month schedule that the  
8 staff has used in their issues identification report.  
9 We added some issues in here, which we want to discuss  
10 with the applicant. We're going to try to follow the  
11 12-month process, but there are a lot of times things  
12 come up which nobody can foresee. So we still try to  
13 get through it in 12 months.

14 The first question that I have is, the  
15 applicant has said that they were going to provide  
16 PG&E's detailed facility study to Cal ISO and Energy  
17 Commission, and that is supposed to happen next week,  
18 and we want to know what the status is of that study?

19 MR. BUCHANAN: And the envelope please. I  
20 received the study. We will have the cover letter and  
21 reporting document tentatively Wednesday morning.

22 MS. GEFTER: Good. This week staff is going  
23 to issue data requests on air quality and water  
24 resources; is that accurate?

25 MR. RICHINS: That is correct.

26 MS. GEFTER: So that the responses on the

1 air and water sources, responses should be do at the  
2 end of the -- say the 30 days would be towards the --  
3 we have here April 26th, or something like that. Does  
4 that look like you'll be able to make it in the 30  
5 days? Are you familiar with those requests?

6 MS. STRACHAN: We haven't seen the air  
7 quality or water resources requests. We'll offer an  
8 intent to make it within 30 days.

9 MS. GEFTER: The other data was sent on  
10 March 1st, and they're anticipating 30 days' response  
11 time, and on the schedule, we have those responses  
12 being returned on March 30th. I also know you made a  
13 request for extension of time.

14 MS. STRACHAN: Yes. We did file a request  
15 for an extension on two of the requests that required  
16 models. We do need a little bit more time on that, and  
17 then another one on visualization.

18 MS. GEFTER: Thank you.

19 Then we also are aware that you need to do a  
20 wetlands delineation for the U.S. Army Corps of  
21 Engineers.

22 MS. STRACHAN: The actual wetland  
23 delineation by our guideline, which is the one we're  
24 going on right now, we have a series of meetings  
25 scheduled, not only with the Army Corps of Engineers,  
26 but also other biological agencies. We're on schedule

1 for meeting all those deadlines.

2 MS. GEFTER: Isn't there a six-month  
3 turnaround from the Army Corps of Engineers once you've  
4 provided the delineation study?

5 MS. STRACHAN: I'd have to check, but I  
6 think it's in that time range.

7 MS. GEFTER: And then, have you filed an  
8 application with the Regional Water Quality Control  
9 Board for your NDPES.

10 MS. STRACHAN: That's next week's envelop.  
11 We meet with the regional board on the 2nd.

12 MS. GEFTER: And then we're also looking at  
13 your stream bed alteration plan, and we want to know  
14 what the status is on that, filing notification with  
15 the CBFD.

16 MS. STRACHAN: The notification will be in  
17 in April.

18 MS. GEFTER: All right.

19 Those questions refer to the schedule that  
20 we have that we're talking about right now. We had  
21 deadlines put in the schedule. At this point it sounds  
22 like applicant can meet those deadlines.

23 We also are requesting the parties to file  
24 status reports throughout the 12-month process. On the  
25 schedule we have the first report due April 22nd.  
26 That's one month from today, and we're going to require

1 a status report once a month thereafter.

2 We also are looking for Cal Iso's comments  
3 on the detailed facility studies, and at this point we  
4 have -- we've given you about a month or so. Do you  
5 think that will be possible? I'm going to ask the  
6 ISO's representative.

7 MR. MACKIN: Yeah, 15 days is enough.

8 MS. GEFTER: So on the schedule right now we  
9 have the end of April for ISO's comments, if you can  
10 meet that.

11 He nods yes.

12 MR. MACKIN: Yes.

13 MS. GEFTER: And then on the schedule, we're  
14 looking for the Air District's preliminary  
15 determination of compliance to be issued around  
16 June 21st. That is about three months from now. Does  
17 that seem like a possibility to the applicant and  
18 staff?

19 MS. STRACHAN: Yes, that's fine.

20 MS. GEFTER: The PDOC, do you think the  
21 staff feels that's a possibility?

22 MR. TOOKER: Yes. This is Chris Tooker.

23 I have no reason to doubt that as long as  
24 they have offsets in the bank and they respond  
25 effectively to the District's requirements.

26 MS. GEFTER: And if that is the case and the  
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1 PDOC is issued towards the end of June, then we would  
2 receive the final DOC in August.

3 MR. RICHINS: I guess I'd like to just make  
4 one point, that Chris has talked to the Air District.  
5 Their rules indicate that they have 180 days. This is  
6 on a track of about 120 days, and so they have  
7 indicated that they think they can meet those  
8 requirements, but if any snags come along the way, they  
9 can rely on their current rules, which is 180 days and  
10 240 for the final DOC.

11 MS. GEFTER: Right. And we're talking about  
12 180 days to file the DOC?

13 MR. TOOKER: We're talking about 180 days  
14 from the day the District determines it to be complete,  
15 which is their day of adequacy determination. I think  
16 they're making a good effort in the Pittsburg project,  
17 and they would expect to do the same in the Delta  
18 project, barring changes to the project or if the  
19 current offsets being proposed were not banked or were  
20 not found to be valid.

21 MS. GEFTER: Okay.

22 MR. TOOKER: As you say, things that we may  
23 not understand or know today.

24 MS. GEFTER: That's reasonable.

25 What this schedule does is it goes up to a  
26 prehearing conference date, which would be probably a



1 month before the evidentiary hearings would begin in  
2 this case, and then they stop because, as you say,  
3 we're not sure that all the responsible agencies, which  
4 are going to meet the deadlines, we have in the  
5 schedule, but at this point it looks like the applicant  
6 is on track, and that the responsible agencies have  
7 been in touch with staff and the applicant.

8 At this point, do we want to have any  
9 discussion about the schedule?

10 Yes, Chris.

11 MR. TOOKER: I'd just like to make one point  
12 with respect to the air quality issues and to the  
13 determination of compliance for the advice of the  
14 Committee and the applicant, to the extent that the  
15 preliminary determination of compliance from the  
16 District has resolved all issues. We, as staff, then  
17 will use that for our recommendations, assuming that it  
18 won't change significantly in the final. That sure  
19 would facilitate the process in terms of us being able  
20 to move forward with our final testimony, as opposed to  
21 a situation where the preliminary determination of  
22 compliance may have in it a number of unresolved  
23 issues, whether it be EPA or whatever, it then would  
24 not be resolved until the final, at which time then we  
25 could move forward with our final recommendation.

26 So I only advice the applicant work as

1 closely as they can with the District to make sure that  
2 those issues are resolved at that point and presented  
3 by the District in their preliminary recommendations  
4 and then move forward from there.

5 MS. GEFTER: One of the other concerns that  
6 the Committee has is the cumulative impact analysis on  
7 air and water, especially in light of the Enron  
8 project, and I wanted to address that.

9 Do you have any comments?

10 MR. TOOKER: Yeah, my comment, we have with  
11 both Delta and Enron that we, as staff, have conducted  
12 cumulative impact analyses. We obtained a contractor  
13 to do that. They have provided us with their  
14 preliminary results. We didn't have those quite in  
15 time to put the numbers into staff assessment. We did  
16 describe the process. We will be supplementing that  
17 staff assessment with the results.

18 As I understand them now -- we just received  
19 them -- they do not identify any cumulative impacts  
20 from the combined project for air quality.

21 MS. GEFTER: And you would use that same  
22 analysis?

23 MR. TOOKER: Yes, it's going to be used for  
24 both.

25 MS. GEFTER: All right. Does anyone else  
26 have any comments regarding the schedule at this point?

1 MS. SHAPIRO: Susan, I was under the  
2 impression that we were going to have status reports  
3 every other month, not every month.

4 MS. GEFTER: Every month.

5 MS. SHAPIRO: Yeah, every month.

6 MS. GEFTER: I skipped May. I'll put May  
7 back in, because the intent was to include May.

8 As I said, this is a proposed schedule. The  
9 Committee will be issuing a scheduling order by April  
10 6th -- probably before that time. That scheduling  
11 order will be the project's schedule, unless it looks  
12 like we're falling behind in the schedule, and then we  
13 will have to reconsider it, but at this point, we also  
14 may conduct status conferences. In fact, I have one  
15 scheduled here for July 1st, which is, you know, kind  
16 of halfway through, and we may also notice additional  
17 status conferences on the rate on which applicant is  
18 complying with evidence, but in the meantime, yes,  
19 we're going to have status reports every month, and we  
20 hope that everybody stays on schedule.

21 Any other questions? Okay.

22 Any questions from members of the public?

23 MR. GLYNN: Yes, I'm Bill Glynn. I'm a  
24 member of the Enron Community Advisory Panel, and I'm  
25 also the president of the New York Landing Homeowners  
26 Association.

1                   I believe I just heard this gentleman over  
2   here indicate that the contract had been led by  
3   California Energy Commission or somebody on the staff  
4   to do a model of a cumulative impact and it was based  
5   on the Enron project; is that correct?

6                   MR. TOOKER:   Correct.

7                   MR. GLYNN:   Okay.   Then I would expect that  
8   if it's acceptable to the Commission to be utilized  
9   intact to meet the data request requirements with  
10  Calpine process without further having to go through  
11  the whole project all over again, since it's already  
12  done.

13                  MR. TOOKER:   Correct.

14                  MR. GLYNN:   Is that an unreasonable request?

15                  MR. TOOKER:   That's consistent with our  
16  strategy.

17                  MR. GLYNN:   Thank you.

18                  MS. GEFTER:   Thank you.   Does anyone else  
19  have any questions?

20                  Okay.   If there are no further questions, we  
21  are going to adjourn this hearing.   There will be a  
22  schedule order, as I mentioned earlier and that will be  
23  out by April 6th.

24                  Other than that, we are going to adjourn,  
25  and the Committee will be publicly be meeting with our  
26  staff and the applicant and seeing them at workshops,

1 and you'll be getting notices of those workshops in  
2 near future. Thank you.

3 (Whereupon, the proceedings concluded at  
4 8:05 P.M.)

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1                                 REPORTER'S CERTIFICATE

2     STATE OF CALIFORNIA     )  
3                                 )         ss.  
4     COUNTY OF SOLANO       )

5                     I, JANENE R. BIGGS, a Certified Shorthand  
6     Reporter, licensed by the state of California and  
7     empowered to administer oaths and affirmations pursuant  
8     to Section 2093 (b) of the Code of Civil Procedure, do  
9     hereby certify:

10                    That the proceedings were recorded  
11     stenographically by me and were thereafter transcribed  
12     under my direction via computer-assisted transcription;

13                    That the foregoing transcript is a true  
14     record of the proceedings which then and there took  
15     place;

16                    That I am a disinterested person to said  
17     action.

18                    IN WITNESS WHEREOF, I have subscribed my  
19     name on March 25, 1999.

20  
21  
22                    Janene R. Biggs  
23  
24  
25  
26

